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COUNTRY China

SUBJECT Activities of Mongol Military

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Leader LI Shou-hein

PLACE ACQUIRED

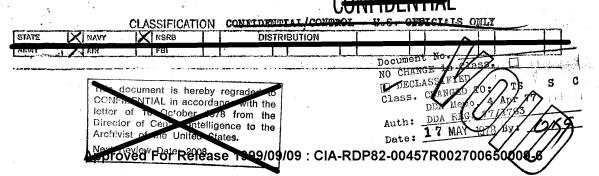
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- 2. In early December 1948 in Shanghai LI Shou-hain met an Englishman who claimed to be an official of Jardine Matheson and Company, Limited, and who was interested in buying wool and camel hair from the Ninghaia area; phonetically, his name sounded like Jusuku.***** During December 1948, this man was negotiating for the purchase of up to 600,000 cattles of wool and 400,000 cattles of camel hair brought from Ninghaia to Tientein and also for 6,000 bales of wool in Factou. He was making these purchases through a Chinese merchant named KAO Ya-chieh () have hair through KAO, the Englishman obtained an introduction to LI, and after a few meetings he requested LI to go to Hongkong for "conferences with British officials there regarding trade between Mongol areas and British merchants in Shanghai and Hongkong."
- 3. After these meetings in Shanghai, LI was undecided and returned to Nanking, where, with the help of Mongol members of the Legislative Yuan, he submitted a plan to the Ministry of National Defense requesting recognition of some form of autonomy and support for himself in western Inner Mongolia; this appeal was signed by Mongol members of the Legislative and Control Yuans and by Mongol representatives to the National Assembly. Because no action was taken on this appeal and because of the political tension in Nanking at that time. LI became discouraged and returned to Shanghai. In early January 1949. LI left Shanghai, ostensibly for Hongkong, with the assistance of his English "friends." Upon his departure, LI stated to some of his Mongol associates that he "did not object to the British idea of sponsoring him for an eventual return to Mongolia as a leading military man.



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Source Comment.

LI probably went to Hongkong and from there to Taiwan. Since early March 1949 he has been spending most of his time in Taichung. Taiwan, where he has been associating closely with LI Yung-hein and other CC Clique Mongols. LI Shou-hein is a well known opportunist and he has a long record of cooperation with rightist Knomintang elements. It is doubtful that the British would support him, however, although they might use him to further their business interests, which have been noticeable in the Northwest since March 1949 with the expansion of the International Supply Corporation in that area. LI Shou-hein is known to have made several attempts in the past to win favor and support from British officials.

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**** Comment. This man may be Keswick of Jardine Matheson Company.

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